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A. Chapter 174A: Section 8 Requirements For Rating Organizations

Who May Be A Rating Organization

_____ A corporation, an unincorporated association, a partnership or an individual, whether located within or outside this Commonwealth, may make application to the Commissioner for license as a rating organization for such kinds of insurance, or subdivision or class of risk or a part of combination thereof as are specified in its application.

Initial Filing Requirements

The initial filing shall include:

- _____ (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation, and of its by-laws, rules and regulations governing the conduct of its business;
- _____ (2) a list of its members and subscribers;
- _____ (3) the name and address of a resident of this Commonwealth upon whom notices or orders of the Commissioner or process affecting such rating organization may be served: and
- _____ (4) a statement of its qualifications as a rating organization.

Approval of Application

If the Commissioner finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization and that its constitution, articles of agreement or association or certificate of incorporation, and its by-laws, rules and regulations governing the conduct of its business conform to the requirements of law, she shall issue a license specifying the kinds of insurance, or subdivision or class of risk or part or combination thereof for which the applicant is authorized to act as a rating organization.

Every such application shall be granted or denied in whole or in part by the Commissioner within 60 days of the date of its filing with her.

Term of License

Licenses issued pursuant to this section shall remain in effect for 3 years unless sooner suspended or revoked by the Commissioner.

Fee

- _____ The fee for said license shall be determined annually by the Commissioner of administration under the provision of MGL c. 7, s. 3B. The current fee is \$30.

Notification of Changes

Every rating organization shall notify the Commissioner promptly of every change in:

- _____ (1) its constitution, its articles of agreement or association, or its certificate of incorporation, and its by-laws, rules and regulations governing the conduct of its business,
- _____ (2) its list of members and subscribers and
- _____ (3) the name and address of the resident of this Commonwealth designated by it upon whom notices or orders of the Commissioner or process affecting such rating organization may be served.

Cooperation Among Rating Organizations and Insurers

Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of this chapter is hereby authorized, provided the filings resulting from such co-operation are subject to all the provisions of this chapter which are applicable to filings generally.

B. Chapter 174A: Section 9 Adherence to Filings by Members, Deviations

_____ Every member of or subscriber to a rating organization shall adhere to the filings made on its behalf by such organization but may make written application to the Commissioner for permission to file a deviation from the class rates, schedules, rating plans or rules respecting any kind of insurance, or class of risk within a kind of insurance, or combination thereof.

_____ The application shall specify the basis for the modification and a copy shall be sent simultaneously to the rating organization.

The Commissioner shall set a time and place for a hearing at which the insurer and such rating organization may be heard and shall give them not less than 10 days' written notice thereof.

In the event the Commissioner is advised by the rating organization that it does not desire a hearing he may, upon the consent of the applicant, waive such hearing.

In considering the application for permission to file such deviation the Commissioner shall give consideration to the available statistics and the principles for rate making as provided in section five.

The Commissioner shall issue an order permitting the deviation for such insurer to be filed if she finds it to be justified and it shall thereupon become effective.

She shall issue an order denying such application if she finds that the resulting premiums would be excessive, inadequate or unfairly discriminatory.

_____ Each deviation permitted to be filed shall be effective for a period of 1 year from the date of such permission unless terminated sooner with the approval of the Commissioner.

C. Chapter 174A: Section 12. Advisory Organization

Who May Be An Advisory Organization

_____ Every group, association or other organization of insurers, whether located within or outside this Commonwealth, which assists insurers which make their own filings or rating organizations in rate making, by the collection and furnishing of loss or expense statistics, or by the submission of recommendations, but which

does not make filings under this chapter, shall be known as an advisory organization.

Filing Requirements

Every advisory organization shall file with the Commissioner:

- _____ (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation and of its by-laws, rules and regulations governing its activities,
- _____ (2) a list of its members,
- _____ (3) the name and address of a resident of this Commonwealth upon whom notices or orders of the Commissioner or process issued at his direction may be served, and
- _____ (4) an agreement that the Commissioner may examine such advisory organization in accordance with the provisions of section 14.

D. Chapter 175A: Section 8: Rating organization; application for license; regulation; fee; subscription for services by insurer

Who May Apply

- _____ A Corporation, an unincorporated association, a partnership or an individual, whether located within or outside this Commonwealth, may make application to the Commissioner for license as a rating organization for such kinds of insurance or subdivisions thereof as are specified in its application.

Application Requirements

The application shall also include:

- _____ (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation, and of its by-laws, rules and regulations governing the conduct of its business;
- _____ (2) a list of its members and subscribers;
- _____ (3) the name and address of a resident of this Commonwealth upon whom notices or orders of the Commissioner of process affecting such rating organization may be served; and
- _____ (4) a statement of its qualifications as a rating organization.

Standard for Approval

If the Commissioner finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization and that its constitution, articles of agreement or association or certificate of incorporation, and its by-laws, rules and regulations governing the conduct of its business conform to the requirements of law, she shall issue a license specifying the kinds of insurance or subdivisions thereof for which the applicant is authorized to act as a rating organization.

Time for Decision by Commissioner

Every such application shall be granted or denied in whole or in part by the Commissioner within 60 days of the date of its filing with her. Licenses issued pursuant to this section shall remain in effect for 3 years unless sooner suspended or revoked by the Commissioner.

Fee

_____ The fee for said license shall be \$25.

Suspension / Revocation of License

Licenses issued pursuant to this section may be suspended or revoked by the Commissioner, after hearing upon due notice, in the event the rating organization ceases to meet the requirements of this subsection.

Notification of Changes

_____ Every rating organization shall notify the Commissioner promptly of every change in (1) its constitution, its articles of agreement of association or its certificate of incorporation, and its by-laws, rules and regulations governing the conduct of its business, (2) its list of members and subscribers and (3) the name and address of the resident of this Commonwealth designated by it upon whom notices or orders of the Commissioner or process affecting such rating organization may be served.

Cooperation Among Rating Organizations / Insurers

Co-operation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of this chapter is hereby authorized, provided the filings resulting from such co-operation are subject to all the provisions of this chapter which are applicable to filings generally.

E. Chapter 175A: Section 9. Adherence to Filings by Members, Deviations

Every member of, or subscriber to, a rating organization shall adhere to the filings made on its behalf by such organization.

Deviations

_____ Notwithstanding the foregoing, any such insurer may make written application to the Commissioner for permission to file a uniform percentage decrease or increase to be applied to the premiums produced by the rating system so filed for a kind of insurance, or for a class of insurance which is found by the Commissioner to be a proper rating unit for the application of such uniform percentage decrease or increase, or for a subdivision of a kind of insurance (1) comprised of a group of manual classifications which is treated as a separate unit for rate making purposes, or (2) for which separate expense provisions are included in the filings of the rating organization.

_____ The application shall specify the basis for the modification and shall be accompanied by the data upon which the applicant relies.

_____ A copy of the application and data shall be sent simultaneously to such rating organization.

_____ Each deviation permitted to be filed shall be effective for a period of 1 year from the date of such permission unless terminated sooner with the approval of the Commissioner.

The Commissioner shall set a time and place for a hearing at which the insurer and such rating organization may be heard and shall give them not less than 10 days' written notice thereof.

In the event the Commissioner is advised by the rating organization that it does not desire a hearing she may, upon the consent of the applicant, waive such hearing.

The Commissioner shall issue an order permitting the modification for such insurer to be filed if she finds it to be justified and it shall thereupon become effective.

She shall issue an order denying such application if she finds that the modification is not justified or that the resulting premiums would be excessive, inadequate or unfairly discriminatory.

F. Chapter 175A: Section 12. Advisory Organization

Who May Be An Advisory Organization

_____ Every group, association or other organization of insurers, whether located within or outside this Commonwealth, which assists insurers which make their own filings or rating organizations in rate making, by the collection and furnishing of loss or expense statistics, or by the submission of recommendations, but which does not make filings under this chapter, shall be known as an advisory organization.

Filing Requirements

Every advisory organization shall file with the Commissioner:

- _____ (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation and of its by-laws, rules and regulations governing its activities,
- _____ (2) a list of its members,
- _____ (3) the name and address of a resident of this Commonwealth upon whom notices or orders of the Commissioner or process issued at his direction may be served,
and
- _____ (4) an agreement that the Commissioner may examine such advisory organization in accordance with the provisions of section 14.